

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

CENTRAL ILLINOIS LIGHT COMPANY :	09-0306, 09-0309
d/b/a AmerenCILCO,	:
:	:
CENTRAL ILLINOIS PUBLIC SERVICE :	
COMPANY d/b/a Ameren CIPS,	09-0307, 09-0310
:	:
ILLINOIS POWER COMPANY d/b/a :	
Ameren IP,	09-0308, 09-0311
:	:
Proposed general increase in rates :	
For delivery service. (Tariffs filed :	(Consolidated)
June 5, 2009)	:

**DIRECT TESTIMONY OF JEFFREY ADKISSON
ON BEHALF OF
THE GRAIN AND FEED ASSOCIATION OF ILLINOIS**

GFA EXHIBIT 1.0G

September 28, 2009

1 **Q. Please state your name and business address.**

2 **A. My name is Jeffrey D. Adkisson and my business address is 3521 Hollis Drive, Springfield,**
3 **Illinois 62711.**

4 **Q. Are you the same Jeffrey D. Adkisson who testified in the Ameren Illinois Utilities**
5 **(“Ameren” or “AIU”) rate redesign case, Illinois Commerce Commission (“ICC” or**
6 **“Commission”) Docket No. 07-0165 and the recent Ameren rate cases, Docket Nos.**
7 **07-0585 through 07-0590?**

8 **A. Yes, I am.**

9 **Q. By whom are you presently employed and in what capacity?**

10 **A. I am Executive Vice President and Treasurer of the Grain & Feed Association of Illinois**
11 **(GFAI).**

12 **Q. Please describe your educational background.**

13 **A. My academic background includes a B.S. in Agricultural Education from Western Illinois**
14 **University. I have also attended a variety of continuing education programs throughout**
15 **my career. In 1999, I was accredited as a Certified Association Executive.**

16 **Q. Please describe your professional experience.**

17 **A. I have been employed by GFAI since July of 1987, starting in the position of Coordinator**
18 **of Member Services and advancing to my current position of Executive Vice President and**
19 **Treasurer. I have represented the grain and feed industry in various legislative hearings, in**
20 **Ameren’s electric rate redesign case, ICC Docket No. 07-0165, and in Ameren’s 2007**
21 **rate cases, ICC Docket Nos. 07-0585 through 07-0590.**

22 **Q. On whose behalf are you testifying?**

23 **A.** My testimony is prepared for and on behalf of the members of GFAI in the Ameren
24 territories. GFAI members operate grain elevators, grain dryers and feed dealerships
25 throughout the state of Illinois, representing over 90% of the commercial grain storage
26 space in Illinois.

27 **Q.** **What is the purpose of your testimony?**

28 **A.** My testimony will support: (a) greater uniformity of rate structures among the AIUs with
29 more simple and consistent eligibility requirements for GDS-2, GDS-3 and GDS-4 rates;
30 (b) temperature-based pricing for GDS-5; (c) inclusion of uncollectible factors applicable
31 to PGA customers, which result from PGA customers not paying for gas supply; and (d)
32 seasonal prices for all GDS rates.

33 **Q.** **How will your testimony address these issues for each of the three Ameren**
34 **companies?**

35 **A.** Because Ameren has concurrently filed natural gas rate cases with the ICC for
36 AmerenCILCO (CILCO), Docket No. 09-0309, AmerenCIPS (CIPS), Docket No. 09-
37 0310, and AmerenIP (IP), Docket 09-0311 with the intent to create uniformity in rate
38 structures among the Ameren companies, my common testimony will address all three
39 cases together in order to most efficiently and comparatively demonstrate to the
40 Commission the issues that GFAI has in these consolidated dockets.

41 **Q.** **Do you support AIU witness Millburg's position to the extent possible, achieve**
42 **uniformity in AIU tariff provision?**

43 **A.** Yes, I support consistent eligibility requirements and tariff structures among the AIUs.
44 However, Mr. Millburg recommends achieving uniformity by adopting only IP current

45 eligibility requirements for all GDS rates for all AIUs. In my opinion, achieving uniform
46 eligibility requirements among the AIUs is better achieved by adopting the most
47 appropriate eligibility requirement from among all AIU current rates. There is actually
48 little difference in Mr. Millburg's and my recommendations except for the high-end
49 eligibility for GDS-3.

50 **Q. With respect to GDS-2, what are Mr. Millburg's and your recommendation to**
51 **achieve tariff uniformity among the AIUs?**

52 A. Both CIPS and CILCO current GDS-2 eligibility requirements are a connected load of
53 700 cubic feet per hour or less, which equates to 168 therms per day. I agree with Mr.
54 Millburg that the current IP GDS-2 eligibility requirement of "the highest average daily
55 use of 200 therms or less" is consistent with the current eligibility requirements of CILCO
56 and CIPS and more straightforward in determination. However, I recommend that "the
57 highest average daily use of 200 therms or less" be applicable for only the billing months
58 of December through March when system daily maximum usage is greatest. Because
59 GDS-2 customer meters typically only provide usage between meter readings and do not
60 typically record daily usage, I agree with AIU's response to data request GER 4.01 that
61 the highest average daily use is to be determined by dividing the customer's total usage in
62 a billing period by the number of days in that billing period.

63 **Q. With respect to GDS-3, how does your recommendation to achieve tariff uniformity**
64 **among the AIUs differ from Mr. Millburg's recommendation?**

65 **A.** Both of our GDS-3 recommendations match up low-end GDS-3 eligibility to the high-end
66 eligibility for GDS-2 of “the highest average daily use of 200 therms or less”, except I
67 recommend that the eligibility test be applicable only for the months of December through
68 March. However, our recommendations differ with respect to the high-end GDS-3
69 eligibility. The current CILCO and CIPS GDS-3 rates have no maximum to qualify for
70 the rate. The current CIPS Large Service GDS-4 has no minimum use requirement and
71 the current CILCO GDS-4 has a minimum annual use requirement of 250,000 therms.
72 To be more consistent with current eligibility requirements of all three AIUs’ GDS-3 and
73 GDS-4 rates, and to have the high-end requirement for GDS-3 match up with the current
74 low-end requirement of CILCO’s GDS-4 rate, I recommend matching all three AIUs’
75 GDS-3 high-end eligibility to CILCO’s simple and straightforward current minimum GDS-
76 4 requirement of a maximum annual use of 250,000 therms. Alternatively, I recommend
77 IP’s current GDS-3 requirement of average daily use equal to or greater than 200 therms
78 per day and less than 1,000 therms per day, except I recommend that the eligibility test be
79 applicable only for the months of December through March.

80 **Q.** **What specific aspects of Ameren’s GDS-4 Large Service rate schedules are**
81 **needed to create uniformity of structure?**

82 **A.** As previously mentioned, the CILCO Large Service GDS-4 has a minimum annual use of
83 250,000 therms and the IP Large Service GDS-4 has a minimum highest Average Daily
84 Usage of 1,000 therms per day, which equates to 365,000 therms annually. To be
85 consistent among all three companies, to match up with my recommended GDS-3
86 maximum, and to stay consistent with the Ameren-proposed IP and CILCO GDS-4

87 minimums, I recommend an annual minimum use of 250,000 therms to be eligible for the
88 GDS-4 rate schedule for all Ameren companies. Alternatively, I recommend IP's current
89 GDS-4 requirement of average daily use equal to or greater than 1,000 therms per day,
90 except I recommend that the eligibility test be applicable only for the months of December
91 through March.

92 **Q. Do you support AIU's recommendation of adopting the temperature-based price**
93 **signal for all AIU GDS-5 rates (AIU Exh. 17.0G (Millburg), starting at line 124)?**

94 **A.** Yes. Temperature is a very good indicator when the distribution system flow is at its peak.
95 Utilization of a temperature based GDS-5 achieves maximum utilization and revenues of
96 the distribution system during the winter months, while protecting system integrity.

97 **Q. Do you support the AIU proposal to offer optional daily telemetry at a charge to**
98 **customers on GDS-2 and GDS-3 rates, which do not require telemetry?**

99 **A.** Yes. From my perspective, I don't see a majority of customers electing optional telemetry,
100 but I support making the service available as an option at a fee that recovers actual costs.

101 **Q. Do you support the AIU position regarding incorporating uncollectible factors into**
102 **Rider S?**

103 **A.** Yes. Ameren only purchases natural gas supply for its non-transport Rider S customers.
104 Transportation Rider T customers should not be forced to pay for gas supply
105 uncollectibles caused by non-transport or PGA customers who do not pay Ameren for its
106 supply.

107 **Q. Do you have any other recommendations?**

- 108 **A.** Yes. My understanding is that AIU's distribution system capacity is designed to carry
109 peak usage, which occurs during winter months. Therefore, I recommend that all delivery
110 charges, excluding monthly fixed charges, reflect seasonal prices.
- 111 **Q.** **Does this conclude your direct testimony?**
- 112 **A.** Yes it does.